9/25/00
3/19/01
6-25-01
12-17-02
4-28-03
12-21-04
Amended 5/19/08
Amended 6/23/08
Amended 1/26/09
Amended 07/27/09
Amended 4/28/14
Amended 5/23/16
Amended 11/27/17
Amended 3/26/18
Amended 8/27/18
Amended 12/17/2018
Amended 8/24/20
Amended 4/25/22
Amended 7/27/26

POLK-BURNETT ELECTRIC COOPERATIVE

Policy No.: **BD-10**

Subject: **Directors' Expenses and Per Diem**

Objective: To establish, in compliance with bylaw requirements, the expenses and per diems which may be claimed by Directors in the performance of their duties. This policy will also guide the board as it determines per diems that are fair and equitable to directors and the cooperatives' membership.

Policy:

1. Determining Per Diem

   a. When determining any per diem adjustment, the board will assess operating expenses and other factors which may have a direct bearing upon the cooperative's ability to maintain a viable financial condition.
      i. Every other year, Polk-Burnett participates in a board per diem study conducted by Dairyland Power Cooperative (DPC) with 24 other DPC member cooperatives.
      ii. Once the study is complete, management will compile the information for consideration by the board during a regular board meeting.
      iii. Regular board meeting per diems will be guided by the average per diem of all DPC member cooperatives participating in the study.

2. Per diems, expenses & transportation:

   a. Per diems – *regular & special board meetings* - effective May 23, 2022:
      - $350
      - The president will receive $450 for the board meetings he presides over.
   b. Per diems – *training, seminars, NRECA meetings, and/or cooperative business related meetings* – effective May 23, 2022:
      - $250
   c. Expenses - Actual reimbursements are paid for expenses incurred in the performance of duties, including but not limited to meals, telephone charges, lodging, registration fees, parking, and other related out-of-pocket expenses (does not include alcoholic beverages). Itemized receipts are required.
   d. Transportation - Use of a private vehicle will be reimbursed based on the current allowable IRS mileage rate using the most direct route or actual cost reimbursement of regular coach class airline fare. Reimbursement for mileage may not exceed the cost of regular coach class airline fare.
   e. Per diems, expenses and transportation will not be paid for directors to retake Credentialed Cooperative Director (CCD) or Board Leadership (BL) Courses. *See Policy BD-28: Director Education for other director training specifics.*
   f. Per diems to attend a regular or special board meeting electronically are at the discretion of the board.
   g. Considerations for per diem adjustments will be reviewed per section 1 above.

3. Conferences:

   a. Attendance - Each director shall be authorized to attend one of the following national conferences on an annual basis: NRECA Annual Meeting, CFC Forum or NRECA Legislative Conference. The president of the board is authorized to attend up to two per year.
   b. Each director shall be authorized to attend the NRECA Region 5 meeting every other year.
   c. Each director shall be authorized to attend the WECA Education & Lobby Days, WECA Annual Meeting, WECA District Meeting, DPC Annual Meeting and DPC District Meeting every year.
   d. A per diem (see schedule above) will be paid. Reimbursement is based on the actual number of days traveled to/from and attendance at the meetings, but is limited to a maximum of 5 days.
   e. Expenses – Actual reimbursements are paid for expenses incurred in the performance of duties, including but not limited to: meals, telephone charges, lodging, registration fees, parking, and other related out-of-pocket expenses (does not include alcoholic beverages) for those days that per diem is paid. Itemized receipts are required.
   f. Transportation - Use of a private vehicle or reimbursement of the actual cost for flying coach on a commercial airline is authorized. When using a private vehicle the board member will be reimbursed using the current allowable IRS mileage, but reimbursement will not exceed the cost of regular coach class airline fare, regardless of the miles driven.

4. Electronic Attendance at Board Meetings:

   Directors who participate in board meetings electronically are expected to do so in a manner that supports effective governance, confidentiality, and full engagement in the meeting. Electronic attendance should be treated with the same level of preparation, professionalism, and attention as in-person attendance. Electronic participation is intended to provide flexibility when in-person attendance is not feasible, while maintaining the integrity, confidentiality, and effectiveness of board deliberations.

   Directors attending electronically are expected to:
   a. Join the meeting from a private, quiet, and secure location that allows for full participation and protects the confidentiality of board discussions.
   b. Not participate while driving or operating a vehicle.
   c. Not participate from a public space or other location where conversations, documents, or meeting materials may be overheard, viewed, or otherwise compromised.
   d. Ensure they have a reliable internet or phone connection and appropriate technology to participate effectively.
   e. Use video when available and appropriate, unless circumstances require otherwise.
   f. Remain present and attentive for the duration of the meeting.
   g. Avoid multitasking or engaging in activities that could distract from meeting participation.
   h. Keep board materials secure and refrain from displaying or discussing confidential information where it could be seen or heard by others.
   i. Mute their microphone when not speaking to minimize background noise.
   j. Notify the Board Chair or designated staff as soon as possible if technical issues prevent participation.
   k. Comply with all applicable board policies, bylaws, confidentiality requirements, and meeting procedures.

5. Director's Spouse Attendance - At meetings the spouse's expenses shall be the responsibility of the director, with the exception of meals, lodging costs and spousal meeting registration fees.

6. Director Payments – Directors' expenses and per diems are direct deposit into an account of the director's choice. An individual director may choose to receive payments as detailed in this policy monthly, quarterly, semi-annual, annually, or in whatever time frame the director so chooses. Such election must be consistent with the cooperative's accounting procedures. Any amounts due directors shall carry no interest. All amounts due to inactive directors shall be paid in full.

7. All director per diems and expenses shall be reviewed and approved by the board at regular monthly board meetings.

8. Variations from the policy that arise from time-to-time may be considered and granted at the discretion of the board of directors.

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Edward O. Gullickson, President
July 27, 2026